

**ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE**

January 24, 2023

3:30 p.m.

DRAFT

MEMBERS PRESENT

Senator David Wilson, Chair
Senator James Kaufman, Vice Chair
Senator Löki Tobin
Senator Forrest Dunbar
Senator Cathy Giessel

MEMBERS ABSENT

All members present

OTHER LEGISLATORS

Senator Claman

COMMITTEE CALENDAR

OVERVIEW STATE OF ALASKA DEPARTMENT OF HEALTH

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to report.

WITNESS REGISTER

HEATHER CARPENTER, Deputy Director
Office of the Commissioner
Department of Health (DOH)
Juneau, Alaska

POSITION STATEMENT: Co-presented an overview on the Alaska State Department of Health.

ANNE ZINK, Chief Medical Officer/Director
Division of Public Health
Department of Health (DOH)
Juneau, Alaska

POSITION STATEMENT: Co-presented an overview on the Alaska State Department of Health.

EMILY RICCI, Deputy Commissioner
Health Care Services
Department of Health (DOH)
Juneau, Alaska

POSITION STATEMENT: Co-presented an overview on the Alaska State Department of Health.

HEIDI HEDBERG, Commissioner-Designee
Office of the Commissioner
Department of Health (DOH)
Juneau, Alaska

POSITION STATEMENT: Answered questions on the Alaska State Department of Health overview.

ACTION NARRATIVE

[3:30:10 PM](#)

CHAIR DAVID WILSON called the Senate Health and Social Services Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Giessel, Dunbar, Tobin, Kaufman, and Chair Wilson.

OVERVIEW

STATE OF ALASKA DEPARTMENT OF HEALTH

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CHAIR WILSON announced the consideration of an overview of the State of Alaska Department of Health and invited Commissioner-Designee Heidi Hedberg to begin.

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At ease.

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CHAIR WILSON reconvened the meeting.

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HEIDI HEDBERG, Commissioner-Designee, Department of Health (DOH), Juneau, Alaska, expressed her appreciation for the Department of Health's leadership team.

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ANNE ZINK, Chief Medical Officer/Director, Department of Health (DOH), Juneau, Alaska, stated she is honored to work with

professionals within and outside of the Department of Health in serving the needs of Alaskans. She said factors outside health care determine 80 percent of an individual's health. Mental health, economic stability, cost of health care, and access to health care play a phenomenal role in an individual's actual health, which is why DOH works with other state departments, tribal partners, health care providers, and the legislature. Alaskans' healthcare needs are diverse. It is important to be person-centric and having whole systems that serve Alaskans is the mission of DOH. DOH seeks to serve Alaskans and ensure the promotion and protection of their health, well-being, and self-sufficiency.

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DR. ZINK turned to slide 3 and stated that the health and well-being of Alaskans is often defined in terms of life expectancy, cost of care, and why people become ill or die. The graph "Life Expectancy at Birth vs. Health Care Expenditures per Capita: Comparison Across States" was updated in 2020. She stated that the data shows Alaska is the second most expensive place to obtain health care in the country when looking at health care expenditures per capita. Alaska is slightly behind New York. She stated that Alaska is placed 29th in the nation for life expectancy. Hawaii has the highest life expectancy, while Mississippi and West Virginia have the lowest. Health care is complex. One way to determine what is needed is to look at the leading causes of death. The graph, "Leading Causes of Death in Alaska vs. US (2021)," shows that cancer, heart disease and COVID are the top three causes of death for Alaska and the U.S. Previously COVID was not a leading cause of death, and it is hoped that it will cease over time. Statistically, Alaska stands out in three areas suicide, liver disease, and diabetes. The department is often asked what is being done to improve Alaska's situation.

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DR. ZINK moved to slide 4 and said Alaska's health improvement plan has been in place for decades. It is called Healthy Alaskans and was created in partnership with tribes and the state. The plan identifies measurable, actionable items to improve Alaskans' health. Goals are set for ten years. A strategic plan for 2030 has been created with an outline for the changes to be made every year. Areas of the plan include:

- Healthy Weight and Nutrition
- Environmental Health
- Healthcare Access

- Alcohol, Tobacco and Substance Misuse
- Mental Health and Suicide
- Injury and Violence
- Infectious Disease
- Cancer and Chronic Disease
- Social and Protective Factors

She stated that the 2020 final report card and the 2022 update would be released soon.

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COMMISSIONER-DESIGNEE HEDBERG moved to slide 5 and stated that strong families are the foundation of a healthy society and a vibrant economy. There are three fundamental pillars to the Healthy Families Initiative: Healthy Beginnings, Health Care Access, and Healthy Communities. Healthy Beginnings is the cornerstone of healthy families. It prioritizes maternal and child health and emphasizes preventive measures for youth, such as a healthy diet and physical activity. It works towards expanding childcare and after-school programs.

The second pillar, Health Care Access, addresses improving access to mental and physical health. This pillar focuses on working with partners to create a robust and resilient healthcare workforce. It is about supporting aging in place and aligning how health care is paid to reflect better outcomes and higher value for whole-person care.

The third pillar, Healthy Communities, builds on existing efforts to create healthy workplaces. It works with partners to increase safe and affordable housing. Launching the Fresh Start Campaign will reduce the burden of infectious diseases and address chronic conditions. The Fresh Start Campaign aims to connect Alaskans to prevention programs and is supported by ongoing federal and general funds. She acknowledged that many of these strategies exist, so this initiative would elevate existing programs, promote expansion, and bring new ideas to fruition. She stated that the initiative is a partnership between departments, communities, businesses, and Alaskans. She reiterated that health is not just the Department of Health; it is the collection of all state agencies, communities, and businesses working together.

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Dr. Zink advanced to slide 6 and said the Healthy Families Initiative includes the Office of Health Savings. The Office of

Health Savings is concerned with healthcare dollar savings and saving people's health. Healthy people are cheaper and healthy economies are built with healthy people. It is essential to consider the cost of care and how to improve health, particularly through prevention. She said the office would initially be positioned within the DOH Commissioner's Office. Initial savings will focus on the Medicaid program and later consider innovative payment models to determine how payments are made. Also, the office will look at how the department is building across payer types. Providers want to know that provider and payer types are aligned in a way that allows them to provide care without thinking about how Medicaid operates differently than the Division of Insurance. Also, pharmacy costs continue to be a driving sector of the healthcare industry. Therefore, the office will investigate what can be done about pharmacy costs and improving access to clinical medications. Access to Paxil during the COVID pandemic demonstrated what can happen when agencies work together. The Office of Health Savings (OHS) wants to look at what can be done to work with the federal government across agencies to ensure key medications are available to people in Alaska, regardless of cost or the ability of insurance stipends to pay. She referred to the chart "Healthcare Expenditures per Capita, Alaska vs. United States (1991-2020)," which shows that Alaska's healthcare expenditures over time have diverged. Alaska has much work to do.

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COMMISSIONER-DESIGNEE HEDBERG reminded committee members that on July 1, 2022, the Department of Health and Social Services was split into the Department of Health and the Department of Family and Community Services. Slide 7 shows each department's assigned divisions:

Department of Health

Commissioner's Office
Finance & Management Services
Health Care Services
Behavioral Health
Senior & Disabilities Services
Public Assistance
Public Health

Department of Family and Community Services

Commissioner's Office
Finance & Management Services
Alaska Psychiatric Institute
Juvenile Justice

Alaska Pioneer Homes
Office of Children's Services

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COMMISSIONER-DESIGNEE HEDBERG moved to slide 9 and stated that the Finance and Management Services (FMS) Division supports the work of the Commissioner's Office and the five programmatic divisions of the department by providing essential services to special sections, such as the Medicaid Program Integrity, the Office of Rate Review, Health Information Systems, and Medicaid, Allocations and Audit Services (MAAS). It also handles budgets, grants, contracts, revenues, finances, facilities, and audits for the department. FMS is the backbone that supports the department. In the grants and contracts section, FMS coordinated over \$173 million in FY 22 to over 500 grantees, which included nonprofits and municipal government. The Medicaid Integrity program recovered \$7.8 million in FY 22.

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EMILY RICCI, Deputy Commissioner, Department of Health (DOH), Juneau, Alaska, stated that slides 10 and 11 briefly overview the key divisions that combined make up Alaska's Medicaid program. She said the Senior and Disability Services (SDS) division is focused on serving Alaskans with disabilities and those who are elderly or vulnerable. The division has approximately 170 staff that provide a wide range of services. Some of the more well-known programs offer a snapshot of the division:

- Home and Community-Based Services (HCBS)
- Adult Protective Services (APS)
- Infant Learning Program
- General Relief program

MS. RICCI said Alaska has a long-standing position of assisting individuals to remain independent and in their homes and communities as long as possible. One of the most important things the division does is administer home and community-based waivers. These programs allow for Medicaid to cover home and community-based services for individuals who would otherwise be served in institutions or nursing homes. There are five different waivers that the division manages. Each waiver focuses on different categories of needs and care services. In FY 22, approximately 5,500 Alaskans were served by these waivers covering nearly \$281 million in total services. Other programs the division manages include Adult Protective Services, the Infant Learning Program, and the General Relief Program.

Division employees work hard to ensure that the programs offered are robust.

MS. RICCI said one of SDS's accomplishments was a 10 percent Medicaid rate increase for home and community-based providers, which was included in the FY 23 operating budget. These new rates took effect on July 1. The department appreciated the support received from the legislature. The division also leveraged \$8 million in federal funds for two projects. The first focused on providing short-term relief to providers to cover recruitment and retention costs. The second established a training and certification program for direct support professionals through the University of Alaska, Anchorage. Approximately 225 providers benefited from the short-term relief, and 115 direct support professionals are enrolled in the UAA program. The division learned from the pandemic and adopted regulatory changes focused on promoting safe and flexible options. These include allowing first aid training for providers to be completed online and expanding the use of video and teleconference services for care coordination.

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MS. RICCI said that the Division of Health Care Services is the heartbeat of the Medicaid program. It is staffed with approximately 180 positions and is responsible for most Medicaid services' claims, processing, and payment system. The division manages weekly check writes between \$45 and \$50 million while processing nearly 6.3 million claims in FY 22. In addition, the division manages several units with functions that impact healthcare services and providers around the state. The units include:

- Background Check
- Residential Licensing
- Facilities Licensing
- Pharmacy Program
- Transportation
- Tribal Reclaiming

MS. RICCI stated that staffing was one of the largest challenges for healthcare services this year. It was felt most acutely in the background check unit, which experienced high absences and staff vacancies. This was coupled with the manual process and cleanup project from the cyber-attack and the addition of behavioral health provider types which increased the number of applications being processed in the fall of FY 22. While having different provider types was good for the department's

behavioral health system, it ultimately resulted in longer than standard turnaround time and processing delays. Since December, the unit has been back to full capacity, and the processing time has returned to the previous standard of four business days following receipt of a complete application. The department is committed to continual improvement of the process for providers.

MS. RICCI said that Healthcare Services had some substantial successes, including the procurement and award of a fiscal agent contract. Installation services are a core component of how Health Care Services processes claims. Rebidding services is a highly complex and challenging process. The division completed the procurement, and a contract was awarded to Healthcare Management Solutions (HMS) this fall, which means a portion of the work currently performed by conduit will transition to HMS on April 1, which is something that the division is highly focused on. Other successes focused on meaningful savings, such as:

- \$155 million in claims recovery
- \$45 million in pharmacy savings
- \$74 million in tribal reclaiming
- 22K+ determinations issued on background check applications

MS. RICCI stated the department expects the low savings to grow.

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SENATOR GIESSEL arrived at the meeting.

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MS. RICCI advanced to slide 12 and stated that the Division of Behavioral Health is responsible for the publicly funded behavioral health continuum of care. It has 123 physicians and an annual budget of about \$96 million. The division has five operational sections that manage various programs, including:

- Tobacco Enforcement,
- Alcohol Safety
- Treatment and Recovery Coordination and Support
- Suicide Prevention.

The division also manages a collection of treatment and recovery grants to community providers. The treatment and recovery team within the Behavioral Health division managed roughly 180 grant awards in FY 22. It is an important component of the behavioral health system.

MS. RICCI explained that the division provides a continuum of statewide behavioral health services for mental health and substance use ranging from prevention and screening to brief intervention and acute psychiatric care. One of the most important initiatives that Behavioral Health manages is the expansion of covered behavioral health services through the implementation of the Medicaid Section 1115 Waiver. This innovative Medicaid demonstration project allows the state to bill Medicaid for services that would otherwise not be covered. The purpose of the 1115 Waiver was to establish a continuum of behavioral health services at the community and regional levels by allowing providers to bill Medicaid for new or expanded service types, including crisis intervention and peer support services. In FY 22, nearly \$190 million dollars in waiver claims were paid and processed. The waiver was fully implemented in 2020 and is currently in the process of renewal. Additionally, the division has proposed a 4.5 percent rate increase for 1115 Waiver services which is currently in the regulatory process.

In collaboration with the Alaska Mental Health Trust Authority, the Division of Behavioral Health continues to work with community providers to support the development and implementation of the Crisis Now model. The Crisis Now model is a systemic approach to building a robust behavioral health continuum of care. The Crisis Now model has been an important part of the department's conversations. Over the next two years, the Behavior Health division will organize and implement technical assistance for organizations across the state that expressed interest in building and providing 23-Hour Crisis Observation and Stabilization Services. The department is looking forward to the build-out of the Crisis Now model and the services it will offer.

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DR. ZINK moved to slide 13 and stated that the Division of Public Health is like the brains and hands of healthcare. Public Health is like a chief strategist that thinks about prevention, promotion, and keeping health moving upstream while working closely with communities. While many states have local public health jurisdictions, Alaska has a centralized public health section, allowing epidemiologists to work across the state and through public health nursing centers.

DR. ZINK said there are over 500 people in the Public Health division and eight distinct sections within the division do creative, exciting, and meaningful work. This division includes a team that focuses on chronic disease prevention and health

promotion. Chronic disease continues to be one of the major driving forces of cost to healthcare, as evidenced by Medicaid and overall healthcare expenditures. Healthy Alaskan goals and the work done within the Chronic Disease Prevention and Health Promotion team are now built into the MESA report on Medicaid. This helps the divisions work together.

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DR. ZINK stated that the epidemiology program is well-known after the pandemic. It is concerned with disease investigation. The section's current major hurdle is a rise in sexually transmitted diseases, especially syphilis and tuberculosis (TB). Alaska's Health Analytics and Vital Records help to understand data and include birth certificates, death certificates, and death reviews. Although the cyber-attack heavily impacted the team, it has fully recovered. However, it still faces challenges due to the limitations of IT and data systems.

DR. ZINK said the State Public Health Laboratories program is vital to Alaska's entire health care system. The labs provide certain services to Alaskans that other healthcare industries cannot provide. Alaska did not have commercial laboratory testing for COVID-19 when the pandemic began and was deprioritized in all the commercial labs in the Lower 48 based on population size. Therefore, Alaska's local public health lab filled that gap for multiple months until the commercial sector could take over. The labs also do a significant portion of Alaska's HIV testing, genomic sequencing, Hepatitis C testing, and many other infectious diseases. Labs are a key part of surveillance and understanding disease mitigation within Alaska.

DR. ZINK said Public Health Nursing is the hand within a community and expressed thanks for the nurses' on-the-ground support and work. She emphasized that the age restriction previously in place has been removed. Public Health Nursing Centers are now open to serve people of all ages.

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DR. ZINK stated that Rural Community Health Systems are a catch-all, overseeing the EMS system, rural systems, and hospital capacity. Currently, the program is looking to hire a Homelessness Data Coordinator. Rural Community Systems is very involved in ensuring hospital systems are connected. For example, during COVID and more recently, hospital systems have been overwhelmed. Rural Community Health Systems runs a huddle with hospitals and has a clinician that helps to support back transferring, moving patients, and working with the Medicaid

team to ensure payments occur. Alaska must use all resources as it has limited healthcare capacity. Examples of successfully utilized resources are Fairbanks and Mat-Su, which now offer dialysis. Support from Rural Community Health Systems has allowed for expanded capacity when hospitals carry a burdensome load. Being able to expand support helps keep people in Alaska.

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DR. ZINK said that instead of county coroners, Alaska has a State Medical Examiner's Office, which helps to identify causes of death. The office plays a critical role in understanding the opioid epidemic and the reasons for people's death. She expressed gratitude for the team.

DR. ZINK said the Women's Children's and Family Health unit also does amazing work thinking about family partnerships and how women and children can be supported. The unit will play a key role in the Healthy Families Initiative.

3:58:35 PM

COMMISSIONER-DESIGNEE HEDBERG stated she oversees the Division of Public Assistance and would discuss its programs, the backlog with the Supplemental Nutrition Assistance Program (SNAP) and answer questions. She highlighted that the Division of Public Assistance promotes self-sufficiency and provides basic living expenses to Alaskans in need. The division oversees 18 programs and provides public assistance to one out of three Alaskans. She named the categories and programs as follows:

Food and Nutrition Assistance Programs

Supplemental Nutrition Assistance Program, SNAP

SNAP Education Program, SNAP-ED

Women Infant Children, WIC

Breastfeeding Peer Counseling Program

Commodity Supplemental Food Program

Farmers Market Nutrition Program

Senior Farmers Market Nutrition Program

Pandemic Electronic Benefit Transfer, EBT

COMMISSIONER-DESIGNEE HEDBERG stated that the Electronic Benefit Transfer program was administered in partnership with the Department of Education during the pandemic to children eligible for the free lunch program.

Primary Medical Programs

Medicaid

Chronic and Acute Medical Assistance (CAMA)

Senior and Disabilities Programs

Adult Public Assistance

Senior Benefit Program

Heating and Water Programs

Heating Assistance Program

Alaska Affordable Health Program

Water assistance Program (Started December 2022)

Assistance for Families with Dependent Children

Alaska Temporary Assistance Program

Childcare Assistance Program

General Relief Assistance Program

Offers emergent basic needs for shelter, utilities, food, clothing, or burial. Requests are predominantly for burial assistance.

COMMISSIONER-DESIGNEE HEDBURG stated that in addition to the 18 programs that the division operates, it also distributed \$95.5 million in COVID relief funds for childcare and provided public assistance to approximately 300,000 Alaskans per month.

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COMMISSIONER-DESIGNEE HEDBERG said she assumed the position on November 16, 2022. She stated that she recognizes the impact of the SNAP delays on Alaskans and is focused on solutions that will address the immediate crisis and mitigate future disruptions. She has spent two and one-half months focusing on the Division of Public Assistance's (DPA) programs, workflows, and delays to identify solutions to immediate and long-term needs. She has listened to clients, agencies, unions, advocacy groups, and staff to hear their frustrations, concerns, and solutions.

COMMISSIONER-DESIGNEE HEDBERG stated the three high-level causes for the backlog are the Legacy IT systems, a cyber-attack that delayed planned improvements to the IT systems, and the burden of the pandemic that required additional manual processing of benefits using Excel documents.

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COMMISSIONER-DESIGNEE HEDBERG stated that she visited the DPA office in Anchorage to thank two employees who administered CPR

to a client. She also shadowed an eligibility technician to understand processing issues. She stated that the eligibility technician was hired during the pandemic to assist with manual processes. The eligibility technician's office had four computer screens, two keyboards, one computer, and a pad of paper. The demonstration began by pulling up information from the workflow management system. Forty minutes later, the technician was still processing the request using nine computer systems to transfer data. One system, the Eligibility Information System (EIS), was created in 1959 using COBOL. This demonstration provided insight into the reasons for the backlog.

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COMMISSIONER-DESIGNEE HEDBERG moved to slide 17 and stated that the nine systems to process a client's application are not integrated and require a login and logout for each system. Copy and pasting information is used to verify or issue benefits. Some of the systems are relatively up to date. However, EIS is predominantly used for SNAP, and the department is still looking for programmers who know COBOL and can update the system. The department is working with the Office of Information Technology (OIT) to locate available contractors to reprogram EIS. Currently, the department has one state employee who can manage the maintenance of the system, but help is needed to progress through the reprogramming. The department is focused on finding programmers to reprogram the mainframe and alleviate an identified pinch point. Once EIS is updated, programmers will migrate it into the Integrated Resource Information System (IRIS). IRIS is easier to program and is not connected to the mainframe. Moving SNAP and the other assistance programs from EIS to IRIS is a long-term solution.

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MS. RICCI stated she became Deputy Commissioner of the Department of Health (DOH) in November 2023 and began working with DPA to form a group of technicians specifically assigned to work through older SNAP recertifications and applications. All September recertification benefits have been issued. The team is currently working through October recertifications and has noticed a substantial increase in the daily number of recertifications being processed. However, the processing time should be better for Alaskans in need and entitled to benefits. DPA understands and is entirely focused on addressing the problem with efforts underway. Although the focus is on the SNAP program, the backlog has impacted specific Medicaid applications and renewals. The team focusing on processing outstanding SNAP applications is the same team that would be processing the

Medicaid applications. This shift in focus, combined with the overall backlog of applications, means some Medicaid applications are delayed, such as applications not simultaneously submitted with the SNAP application and those stored in EIS that are coded as requiring recertification.

MS. RICCI stated that a compounding factor is the influx of new applications from the annual open enrollment period for the Federally Facilitated Marketplace (FFM). The FFM is also called the Health Care Exchange. Applications deemed eligible for Medicaid are sent to DPA for processing instead of FFM. Although typical, the influx of applications adds to the volume of the backlog.

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MS. RICCI said the system's limitations make processing applications challenging. It is difficult to estimate how many applications are delayed because the system cannot determine duplicate applications, applications that have been processed and may still be listed in error, or those which have been submitted in error. Generally, Medicaid enrollment can be retroactive 90 days past the day an eligible application was received. If an individual submitted their Medicaid application in January but received services in December, and that application is later processed in February, the services received in December would be within those 90 days, and the claims reprocessed, which can be beneficial.

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COMMISSIONER-DESIGNEE HEDBERG moved to slides 19 and 20 and said she would discuss the intent and challenges of the Virtual Call Center (VCC). One in three Alaskans relies on public assistance. Since the inception of DPA, the division has struggled to serve all Alaskans equitably because there are only 11 DPA offices. The solution was to create a virtual call center to ensure equitable access and address the overcrowded offices that sometimes have had unsafe situations for clients and employees. VCC went live on April 2021. The goal was to allow clients to phone in, talk with an eligibility technician, and have their applications processed during the call. Between April 2021 and September 2022, when a client called and spoke with an eligibility technician, the application was processed during the call. That changed in October 2022 when DPA was overwhelmed with callers.

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COMMISSIONER-DESIGNEE HEDBERG said that in October, when the call volume peaked at 2000 calls a day, a change was instituted that placed newer eligibility technicians on the Virtual Call Center (VCC) to collect basic information, and seasoned eligibility technicians processed the applications. This change has allowed clients to talk with an eligibility technician and have basic questions answered. More calls are also being answered. In addition, on Wednesdays, some staff are reassigned from VCC to process applications. She stated she understands that people are frustrated with call center hold times, but calls end at the end of the day, and the next day starts anew.

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COMMISSIONER-DESIGNEE HEDBERG stated that five immediate solutions are being focused on to address the backlog. The first is pursuing contractors to reprogram EIS because it is critical to pursuing other updates.

The second solution is to hire a temporary contractor to staff the VCC while seasoned state employees determine eligibility. DPA has informed the union of this plan and is working with the Department of Administration and the Department of Law on emergency contracting. Many avenues were explored. The decision was not taken lightly; DPA needs to get benefits out quickly to Alaskans that are hungry and malnourished.

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COMMISSIONER-DESIGNEE HEDBERG said third is the need to improve crisis communication. Many Alaskans are frustrated and want to know what the department is doing to address the backlog. Unfortunately, all three of the department's Public Information Officer (PIO) positions are vacant. Being proactive and communicating the status of applications and how clients can assist the department would help alleviate frustration, reduce the backlog, and prepare for the redetermination of Medicaid funding in April.

The fourth immediate area of focus on is staff safety. There have been many threats to the staff in DPA offices. Workplace safety is paramount. Requests for two contracts have been initiated. The purpose of one contract is to evaluate security at all DPA offices. The other is to provide security guards at four DPA offices. Finally, the fifth solution is the continued recruitment of permanent and temporary non-permanent eligibility technicians.

4:19:15 PM

COMMISSIONER-DESIGNEE HEDBERG advanced to slide 22 and stated her role is to listen and meet with advocates, providers, and clients to solve problems. She provided the department's response to eight solutions people have suggested to DPA:

[Original punctuation provided.]

1. Lengthen certification periods

COMMISSIONER-DESIGNEE HEDBERG said the department agrees and is implementing Food and Nutrition Services (FNS) options to change SNAP certification periods from six months to 12 months for all SNAP households, except where household members are elderly or disabled and have no earned income. Those individuals will continue to be certified at 24 months. Once EIS reprogramming has been completed, testing and training will follow. The timeframe for implementation is May-June, pending no disruptions.

2. Waive unnecessary interviews

COMMISSIONER-DESIGNEE HEDBERG said the department agreed, and Alaska received a waiver from FNS granting flexibility for applications and recertifications from October 1, 2022, to September 30, 2023.

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3. Streamline the review of housing, utilities, and dependent care costs

COMMISSIONER-DESIGNEE HEDBERG said the department agreed and amended the shelter and utility expense verification process to temporarily suspend the requirement for verification and accept the client's statement. The amendment streamlines workflow and increases eligibility processing timelines.

4. Implement broad-based categorical eligibility

COMMISSIONER-DESIGNEE HEDBERG stated that the department previously put this consideration on hold when the prior federal administration proposed a rule that would have nationally ended broad-based eligibility. DOH will review this option to determine if it would be useful.

5. Extend one month of SNAP benefits for all who are delayed because of agency fault

COMMISSIONER-DESIGNEE HEDBERG stated the department found that eligibility technicians could not enter an additional month of benefits to a person's case because of system limitations.

6. Establish a cost effectiveness threshold and compromise overpayment claims

COMMISSIONER-DESIGNEE HEDBERG said the department would review its practices and options under federal program rules.

7. Recruit and train more fee agents

COMMISSIONER-DESIGNEE HEDBERG said the department agrees and recognizes fee agents are a valuable tool in supporting the efficient administration of SNAP benefits. One of the barriers to expanding the use of fee agents is a federal regulation that limits the use of fee agents to those communities not within 50 miles of a DPA office. DPA plans to expand fee agents by seeking a temporary waiver of the federal regulation, and it will increase its outreach to find individuals willing to serve as fee agents. DPA does have a staff member who is focused on recruiting fee agents.

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8. Improve website capacity

COMMISSIONER-DESIGNEE HEDBERG stated DPA developed an online application that allows clients to submit supporting documentation online. It is queued to be reviewed by the IT security office to ensure the system meets the required security elements. It is one of the division's pinch points because there is a long list of elements to address, but only one person is assigned to work on the list. Although it is in the queue, there is no timeframe for its review.

COMMISSIONER HEDBERG asked if there were any questions.

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CHAIR WILSON stated that he would like the committee to hear about Commissioner-Designee Hedberg and Ms. Ricci's years of experience and accomplishments. He announced that the committee could ask questions about the SNAP program.

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SENATOR DUNBAR stated he is curious about federal requirements for SNAP and the degree to which they limit the state. He said

it was possible for the state to have issued benefits for 12 months instead of six months since the change is happening. He is disappointed to hear that the length of time for benefits was not already 12 months because it would have prevented much of the backlog. He stated that property tax exemption is issued for 12 months, and vehicle registration is for two years. He opined that it is disappointing to hear benefits were only given for six months because the extended period would have helped to prevent the backlog. He mentioned that senior citizens are issued the benefit for two years and asked whether federal regulation prevents two years from being offered to others.

COMMISSIONER-DESIGNEE HEDBERG said DOH is limited to 12 months by FNS rules and regulations.

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SENATOR DUNBAR asked how fast DOH can switch from six months to 12 months of issued benefits.

COMMISSIONER-DESIGNEE HEDBERG replied that the EIS system is supposed to be updated and tested by June. If that transition is smooth, then processing will be faster. Reprogramming is IT's priority because benefits issued for 12 months will improve the department's efficiency.

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SENATOR TOBIN asked why only one programmer is available for DPA and what needs to happen to ensure all systems have enough programmers.

COMMISSIONER-DESIGNEE HEDBERG stated that the department's budget provides for 10 IT positions. In May 2021, the systems were overrun, and there was an IT deficit. The bifurcation of Health and Social Services has made it possible to dive deeper into issues at DPA, such as having only one programmer. Many people work for IT, but only one knows the antiquated computer language, which is why DOH is seeking a contractor.

SENATOR KAUFMAN asked if DOH utilized any of the integrated resource loaded scheduling concepts he suggested, or would DOH stick with the matrix system.

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COMMISSIONER-DESIGNEE HEDBERG stated DOH developed the IT matrix out of necessity after the cyber-attack took down all its IT systems. DOH categorically went through all its systems to identify needs and establish manual processes. The process for

approvals of IT systems, whether off the shelf or created, also needed to be more organized. It was a significant burden to Alaskans and DOH.

[4:33:07 PM](#)

SENATOR GIESSEL stated that budget cuts are familiar and that one in three Alaskans depend on DOH services. She asked how the legislature could help DOH obtain staff.

COMMISSIONER-DESIGNEE HEDBERG replied that completing the current roadmap of splitting the departments needs to occur before that conversation can happen. A needs assessment must happen across DOH and DFCS, so that separating staff, resources, and knowledge is fair and equitable. The needs of each division are different, and IT is focusing on immediate solutions.

[4:34:34 PM](#)

CHAIR WILSON asked for a timeframe of when the backlog would cease once the items on slide 21 are addressed.

COMMISSIONER-DESIGNEE HEDBERG replied that she is asked that question multiple times daily. However, she does not have an answer. Eligibility technicians are very focused and making good progress; currently, the backlog is less than 900 applicants. The department can provide an estimate once contracts are signed.

CHAIR WILSON stated it would take time to manage the backlog once systems and other efforts are in place. People should expect it to take a few months. He congratulated the department on fixing the backlog with background checks and restoring the turnaround to four days.

[4:36:39 PM](#)

SENATOR DUNBAR asked if the department could hire an outside time-limited contractor to assist the one person who is working on the website.

COMMISSIONER-DESIGNEE HEDBERG stated that DOH has been exploring that idea. DOH also partners with the Office of Information Technology (OIT). DOH has given OIT a list of its needs. OIT is analyzing that to determine who can help with the security reviews for each of the security plans.

[4:38:08 PM](#)

CHAIR TOBIN said she has several constituents who receive benefits that have expressed interest in assisting. She asked where people find information on applying for a vacant position.

COMMISSIONER-DESIGNEE HEDBERG stated that it is fantastic that people want to help. The positions are posted on Workplace Alaska. People interested in applying should check back as the posting is not continuous enrollment. The jobs are posted, applicants are selected, interviews are held, and candidates are chosen before the positions are published again.

4:39:39 PM

SENATOR TOBIN stated she would promote the PIO positions. She worked in the non-profit sector of communications for a long time and is an advocate of crisis communications. It is critical work.

SENATOR KAUFMAN asked what the state is doing to minimize the statistic that 1 out of 3 Alaskans need public assistance. He opined that while DOH can be beefed up, what would reduce the workload is a focus on reducing demand. He stated he has some ideas to discuss later, but central to the project should be demand reduction.

4:40:40 PM

COMMISSIONER-DESIGNEE HEDBERG replied that DOH has a partnership with Nine Star, funded through the Division of Public Assistance (DPA). She stated that her vision is to create an easy on-ramp so that Alaskans can receive the services they need and a quick off-ramp that will meet them where they are and connect them with meaningful employment.

SENATOR GIESSEL stated that with meaningful employment comes the need to solve childcare concerns. She asked why Department of Commerce, Community and Economic Development (DCCED) is not involved in doing background checks as part of professional licensing.

4:41:37 PM

MS. RICCI clarified that a background check takes four business days from receiving a complete application. The application has multiple parts: the application, a fee, fingerprints, and a background check. The goal of the department is a 3-5-day processing time. In the fall of 2022, processing times became longer due to staffing vacancies, attrition, and the 2021 cyber-attack, which had a ripple effect through the department's

divisions. Healthcare Services has addressed the issues and is back to a processing timeframe of four days.

4:42:58 PM

SENATOR GIESSEL asked if the division requires fingerprints to be submitted on paper.

4:43:25 PM

MS. RICCI stated that fingerprints must be printed. It is a manual process. The Division of Public Safety processes the fingerprints. Manual processing is necessary because IT systems need connectivity and coordination to be electronic. Security issues are also starting to be realized in other states. Better methods are being sought, but prioritizations must also be made regarding staffing issues, fiscal agent transitions, and technology deficits.

4:45:08 PM

SENATOR DUNBAR stated his belief that it is possible to make the filing of fingerprints electronic. He asked if the department could use some of the \$15 million set aside for its bifurcation to accelerate and pay for IT assets.

COMMISSIONER-DESIGNEE HEDBERG asked for clarification on which funding he was proposing to use.

SENATOR DUNBAR replied he was not certain of the funding and asked if either could be used.

4:47:08 PM

HEATHER CARPENTER, Deputy Director, Department of Health, Juneau, Alaska, said that to highlight how funding was spent the department could recirculate last year's funding documents to the committee members. She clarified that the exact amount given to the department for bifurcation was not \$15 million. Most of the funding was spent on reclassifying positions. Two positions, Department Technology Officer (DTO), and Administration Services Director (ASD) were added to each department. There were also strategic investments made that enabled work to be performed.

CHAIR WILSON asked her to define the acronyms.

MS. CARPENTER explained that ASD stands for Administration Services Director. The position is also called Assistant Commissioner in the Department of Health because it oversees Finance and Management Services, not just the budget. At DOH the position is held by Ms. Josie Stern.

4:48:29 PM

CHAIR WILSON said he attended a Medicaid Leadership Conference and heard from the federal director of the Center for Medicaid Services (CMS) and others. They discussed how it is becoming burdensome for CMS to process 1115 Waivers. The directors stated it would be faster and more efficient to rewrite state Medicaid plans because of the waiver's numerous legal requirements. Also, at the federal level, the employees who write the state plan have a lower caseload than those who handle 1115 Waivers. He asked if DOH has considered rewriting Alaska's Medicaid plan to avoid the hurdles of the 1115 Waiver.

4:50:13 PM

MS. RICCI stated she would follow up with a more robust answer. However, both processes are very intense. Some points in the state plan amendment may be less intense. However, it depends on the page because the federal government may review anything on the same page as the paragraph to be changed. Therefore, proposals are considered carefully before requesting a change to the state plan.

4:52:25 PM

SENATOR DUNBAR asked whether the VCC system that DPA staff use to enter information and process applications could be altered so that clients could enter their own information.

COMMISSIONER-DESIGNEE HEDBERG stated that in August 2022, DPA received 8000 SNAP recertifications which created a backlog. That is when the division positioned new employees at the call center to take basic information so more experienced employees could process the applications. It is the division's intent to return to processing applications through the VCC, once it is caught up.

4:56:20 PM

SENATOR DUNBAR asked if it is possible to have clients enter their own information into the system, so they do not need to speak with the VCC.

4:56:46 PM

COMMISSIONER-DESIGNEE HEDBERG said that having eligibility technicians man the VCC provides equitable access to Alaskans across the state. The forms are still paper. The division is working to move the application process online, but all the pieces of the puzzle must come together and fit. There is a deficit with IT resource and IT staff so the division must

prioritize what it will work on first. There are four divisions within the department, and each have priorities which is why the department created a roadmap.

4:58:17 PM

SENATOR TOBIN said that Alaska is diverse geographically and culturally, so it is important to provide equal access to benefits by providing a variety of ways for people to apply, such as the call center, online, and paper. She stated concern about the surge of tuberculosis (TB) and sexually transmitted infections (STIs) in Alaska. She asked if there is a correlation between the surge of TB and the discontinuance of testing for it in public schools.

4:59:18 PM

DR. ZINK replied that DOH is also concerned. The epidemiology for TB cases is primarily in the rural regions of Alaska but, more specifically, the Yukon-Kuskokwim Delta. Alaska has had a unique strand of TB for a long time. From the 1930s to the 1950s, TB was the cause of many deaths in that area which had a huge historical traumatic impact. She stated that testing stopped happening at schools because schools were not necessarily the best location.

5:00:00 PM

DR. ZINK said the Center for Disease Control and Curry International advised DOH that TB testing should be done in the most effective way possible. For instance, directly testing families upon returning from fish camp could be more effective than testing at schools. The reason for the current high rates of TB is multifactorial. First, Alaska already had high rates of TB. Then during the pandemic, people were not being screened and treated. TB is a disease that is often latent. People do not know they are contagious and spreading the disease. It takes a lot of time and effort to identify those cases and treat people when they are still amenable. The treatment for TB is tough, which is a significant limitation. Access to broadband so that a patient has direct observational therapy is critical for the success and risk reduction of multi-drug-resistant TB.

5:00:49 PM

DR. ZINK stated that not having broadband or a health care worker to incentivize patients to take their medication every day for four to nine months can be problematic, particularly as people move from hubs to home. Rural communities are also congested, which makes for easy transmission. Public nursing positions have been challenging to restaff following the

pandemic. Partners have been helping DOH by offering leftover COVID funding to help with contact tracing and strategic planning. Funds have been appropriated in the governor's budget because TB ravaged America for years and getting the number of cases in Alaska down is critical.

[5:02:45 PM](#)

CHAIR WILSON said the DOH would return next week to finish the presentation.

[5:02:53 PM](#)

There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee meeting at 5:02 p.m.